



2026:DHC:5119



* **IN THE HIGH COURT OF DELHI AT NEW DELHI**

% *Reserved on: 05th February, 2026*

Pronounced on: 16th June, 2026

+ **RFA 647/2024, CM APPL. 29334/2025**

SANJEEV MATTA

S/o Shri Iqbal Chand Matta,

R/O 504, Sector 31,

Gurugram-122001, Haryana

.....Appellant

Through: Mr. S.C. Anand Advocate.

versus

AITHENT TECHNOLOGIES PVT. LTD.

Through is Chief Executive Officer,

A-186, Okhla Industrial Area, Phase-1,

New Delhi-110020

.....Respondent

Through: Ms. Venancio D'Costa and Ms. Gauri
Goel, Advocates.

CORAM:

HON'BLE MS. JUSTICE NEENA BANSAL KRISHNA

J U D G M E N T

NEENA BANSAL KRISHNA, J.

1. The present Regular First Appeal under Section 96 read with Order XLI of the Code of Civil Procedure, 1908 (*hereinafter referred to as "CPC"*) has been preferred by the Appellant/Plaintiff, Sanjeev Matta, assailing the Judgment and Decree dated 20.04.2024, whereby the Suit for Recovery of Rs.4,99,649/- filed by the Appellant/Plaintiff has been dismissed, by the learned District Judge, Delhi.

2. The Appellant/Plaintiff instituted the **CS DJ No.13436/2016** (*originally instituted as Civil Suit No.84 of 2006 on 29.03.2006*) for



recovery of Rs.4,99,649/- (principal amount of Rs.3,68,000/- and interest of Rs.1,31,649/-).

3. **Briefly stated**, the case of the Appellant/Plaintiff was that he joined the services of the Respondent Company on 05.07.1993 and continued in employment till 12.12.2003. At the time of his resignation, he was serving as *Engineering Manager* at the Gurgaon branch of the Respondent Company and was drawing a gross monthly salary of Rs.80,000/-.

4. During the financial year 2002-2003, the Respondent Company faced financial difficulties on account of substantial investments in infrastructure and delayed payments from its overseas affiliated entities. Consequently, in March 2002, the Defendant Company decided to ***defer a portion of the salaries payable*** to employees drawing salaries above Rs.12,000/-, per month, for the financial year 2002–2003, on a graded scale of 15%, 20%, 25% and 30% depending upon the salary range. The employees were also promised one month's salary, as bonus compensation, to offset the financial hardship occasioned by the deferment of salaries. The deferred salary was to be paid on 01.04.2003.

5. The deferment was implemented on a graded scale, and since his salary exceeded Rs.60,000/-, per month, 30% of his gross salary amounting to Rs.24,000/- per month, was deferred from April, 2002 till March, 2003. The ***deferred component aggregating to Rs.2,88,000/-***, was agreed to be paid on 01.04.2003.

6. The Appellant/Plaintiff further asserted that as per the policy of deferment, he was also entitled to Rs.80,000/-, i.e. one month's salary, as bonus compensation. Hence, a total amount of Rs.3,68,000/-, was due and payable to the Plaintiff, as on 01.04.2003.



2026:DHC:5119



7. As per the Appellant/Plaintiff, the said announcement had been made with the approval of the CEO of the Defendant Company, who had sent an e-mail dated 09.07.2002 to Mr. Raju Ahluwalia, with copies to Mr. Ajay Malik and Mr. Sunil Vadehra regarding the preponement of the decision to restore salaries to the earlier levels.
8. Appellant/Plaintiff stated that during an Open-House Meeting held on 09.08.2002, the Management announced restoration of salaries of certain employees i.e. lowest salary group of Rs.12,000/- to Rs.20,000/- per month, with effect from 01.10.2002, and assured that the cases of other employees would also be reviewed and their deferred salaries, would be released.
9. While the original salary of the Appellant/Plaintiff of Rs.80,000/-, stood restored w.e.f. 01.04.2003, the management sought more time to pay the arrears of the deferred salary along with the compensation bonus. The Plaintiff has relied upon a communication dated 01.04.2005, addressed to one of the employees of the Respondent Company, assuring clearance of dues by 31.05.2005. However, payment of the deferred salary and compensation bonus, continued to be postponed, despite repeated requests.
10. The Appellant/Plaintiff additionally averred that he had availed a Housing Loan of Rs.4,00,000/- from the Respondent Company, of which a balance of Rs.1,29,000/- remained outstanding at the time of his separation. *Vide* e-mail dated 11.05.2004, the Appellant/Plaintiff sought adjustment of the said balance against his deferred salary dues, which request was declined by the Respondent Company, *vide* its e-mail dated 12.05.2004.
11. Despite subsequent e-mails sent by the Plaintiff asking about his dues, the Respondent Company failed to release the claimed amount.



12. The Appellant/Plaintiff instituted the present *Suit seeking recovery of Rs.4,99,649/- inclusive of interest (Rs.3,68,000/- plus interest of Rs.1,31,649/-)*.

13. The **Defendant/Respondent Company** in its *Written Statement*, raised a *preliminary objection* regarding territorial jurisdiction, asserting that since the subject matter of the Suit pertained to the employment of the Plaintiff at Gurgaon and disbursement of the salary also took place at Gurgaon, the jurisdiction is of the Courts at Gurgaon and not the Delhi Courts.

14. *On merits*, it was contended that there was *no deferment of salary and that the salary structure of employees had merely been restructured*, in view of prevailing business circumstances. It was specifically asserted that the letter dated 01.04.2002 issued by the Respondent Company to the Plaintiff, recording the restructuring of remuneration, was duly accepted by the Plaintiff without any objection or grievance.

15. The Respondent Company denied that any Agreement existed whereby the reduced portion of salary was to be repaid, at a future date. It was further asserted that the Plaintiff himself was a part of the management team which had participated in the decision-making process relating to restructuring of salaries.

16. The Respondent Company admitted that one month's salary had been discussed as a *"loyalty incentive"*, but asserted that the same was neither a contractual commitment nor a legally enforceable obligation, and that any payment thereof was contingent upon the Defendant Company achieving profitability.



17. The Respondent Company further denied that any amount remained due and payable to the Appellant/Plaintiff, at the time of cessation of his employment and prayed for dismissal of the Suit.

18. On the basis of the pleadings of the parties, the learned Trial Court framed the following *Issues*, on 25.01.2007:

- i. *Whether the plaintiff is entitled for the recovery of Rs. 4,99,649/- from the defendant as prayed for? OPP*
- ii. *Whether the plaintiff is entitled for the interest pendent lite and future. If yes, then at what rate? OPP*
- iii. *Relief."*

19. The Appellant/Plaintiff examined himself as **PW-1** and tendered his affidavit Ex.PW-1/A. He relied upon the salary certificate dated 28.11.2003 (Ex. PW-1/1), pay slip for October 2003 (Ex. PW-1/2), appointment and revision letters of subsequent employers (Ex. PW-1/3 to Ex. PW-1/6), income tax records (Ex. PW-1/7 to Ex. PW-1/9), bank statement (Ex. PW-1/10), e-mail communications exchanged between the parties (Ex. PW-1/11 (Colly.) to Ex. PW-1/13 and Ex. PW-1/15 (Colly.), copy of letter dated 01.04.2005 issued by the CEO of the Respondent Company to another employee (Ex. PW-1/14), letter dated 02.09.2005 sent by the Plaintiff (Ex. PW-1/16) and the courier receipt (Ex. PW-1/17).

20. **PW-2, Shri Sunil Vadehra, former Director and Head of India Operations of the Respondent Company**, supported the case of the Appellant/Plaintiff regarding deferment of salaries and the subsequent assurances extended by the Management. He relied upon the certified copy of the e-mail dated 09.07.2002 of the CEO Mr. N. Venugopal along with connected correspondence, Ex. PW-2/1.



2026:DHC:5119



21. **DW-1, Shri Banty Bisht, Manager (HR) of the Defendant Company**, reiterated the stand taken in the Written Statement and denied existence of any agreement regarding deferred salary. He proved Board Resolution authorising him to depose, as Ex. DW-1/A and Minute Book containing the said authorisation as Ex. DW-1/P2.

22. The *learned District Judge*, upon appreciation of the evidence led by the parties, concluded that the Appellant/Plaintiff had failed to establish any contractual arrangement, whereby the reduced component of salary was to be repaid at a later date or that one month's salary was contractually payable as bonus. **Consequently, the Suit was dismissed vide Judgment and Decree dated 20.04.2024.**

23. Aggrieved by the said Judgment and Decree dated 20.04.2024, the present **Appeal** has been preferred by the Appellant/Plaintiff.

24. The *grounds of challenge* primarily are that Plaintiff was serving as a Engineering Manager of the Respondent Company and his remuneration could not have been adversely altered, in the absence of any Resolution passed in the Annual General Meeting. It is contended that the Respondent failed to place on record any AGM Resolution authorizing reduction of the remuneration payable to the Appellant.

25. It is further contended that the decision in *Dale & Carrington Invt. (P) Ltd. v. P.K. Prathapan*, (2005) 1 SCC 212: 2004 SCC OnLine SC 1067 pertains to the requirement of Board Resolutions and disputes relating to powers of Directors and do not consider the liability of a company arising from commitments allegedly made by its Directors to employees, and were inapplicable to the facts in hand. Rather, the communication dated



05.04.2004 issued by the CEO of the Respondent Company, established the case of the plaintiff/Appellant.

26. The Appellant has accordingly, prayed that the impugned Judgment and Decree dated 20.04.2024 be set aside and the Suit be decreed.

27. The Respondent in its *Written Submissions*, has contended that the salary reduction during the Financial Year 2002-2003, was a restructuring of remuneration, necessitated by the financial constraints faced by the Company and not a deferment of salary. This is evident from the communication dated 01.04.2002 itself, which referred to restructuring of remuneration, and did not contain any promise for repayment of the reduced component of salary, on a future date.

28. It is further submitted that the Appellant, who was himself a part of the senior management of the Company, continued in service even after restoration of salary w.e.f. 01.04.2003 and did not raise any contemporaneous claim for the alleged arrears. Reliance has also been placed upon the Judgment dated 06.08.2018 passed by this Court in *M/s Aithent Technologies Pvt. Ltd. v. Archana Verma (RFA 608/2014)*, wherein claims arising out of the salary restructuring exercise, were rejected.

29. The Appellant in his *Written Submissions*, has reiterated the grounds taken in the Appeal.

Submissions heard and Record perused.

30. It is the case of the Plaintiff/Appellant, Mr. Sanjeev Matta, that he joined the services of the Defendant Company on 05.07.1993 as Engineering Manager at its Gurgaon branch and continued in employment till 12.12.2003. The Plaintiff tendered his resignation *vide* letter dated 28.11.2003, pursuant to which he was relieved with effect from 12.12.2003.



2026:DHC:5119



31. He further deposed that he was drawing a gross salary of Rs.80,000/- per month upon restoration of his original remuneration w.e.f. 01.04.2003 and till the cessation of his services. In support thereof, he relied upon the Salary Certificate dated 28.11.2003, exhibited as Ex. PW-1/1.

32. The *entire controversy* in the present case centres around the reduction of the Plaintiff's salary during Financial Year 01.04.2002 till 31.03.2003. It is admitted that with effect from 01.04.2002, the Plaintiff's gross monthly remuneration stood reduced by 30%, and continued at the reduced level until 31.03.2003. It is further undisputed that with effect from 01.04.2003, the Plaintiff's salary stood restored to Rs.80,000/- per month. Thus, there was an admitted reduction in the Plaintiff's salary for one year i.e. the period from 01.04.2002 to 31.03.2003.

33. The circumstances leading to the reduction in salary for Financial Year 2002-03, were explained by the Plaintiff in his testimony, wherein he stated that the Defendant Company was a wholly owned subsidiary of Aithent Inc., New York, USA, and that two affiliated entities, namely Canyon Blue and Velos, were among the principal clients of the Defendant Company. The said entities failed to make timely payments for services rendered, resulting in significant outstanding receivables. The aforesaid circumstances adversely impacted the financial position of the Defendant Company and resulted in dwindling of available reserves with the Defendant Company.

34. Towards the end of March, 2002, discussions were held within the management regarding measures to address the situation. Mr. Venu Gopal CEO, Mr. Sunil Vadehra then Director and Head of India Operations, Mr. Raju Ahluwalia Vice President – HR, Mr. Sanjay Verma Vice President –



Technology and Mr. Rajeeva Gupta, Associate Vice President – Technology, deliberated upon the issue. It was thereafter, decided that an open General House Meeting of all employees be convened, wherein the financial difficulties being faced by the Company were explained and cooperation of the employees was sought.

35. As per the Plaintiff, under the arrangement that emerged, the Defendant Company agreed with employees drawing a gross salary above Rs.12,000/- per month to defer a portion of their salary for Financial Year 2002-2003, till April 2003, on a graded scale of 15%, 20%, 25% and 30% for the respective salary brackets. Since the Plaintiff's salary exceeded Rs.60,000/- per month, the deferred component attributable to him for the said Financial Year, aggregated to Rs.2,88,000/-. Upon adding the promised bonus equivalent to one month's salary, the Plaintiff claimed that a total sum of Rs.3,68,000/- became due and payable to him, which was not paid by the Defendant Company.

36. The Defendant Company, *on the other hand*, contended that the arrangement was not one of deferment of salary and that no promise had been made to pay the reduced salary amount with effect from 01.04.2003 to the employees. In fact, owing to the financial difficulties being faced by the Company, the salaries of employees were **restructured** for a period of one year. It was, therefore, asserted that there was *no question of any deferred salary becoming payable to the Plaintiff or any other employee*.

37. Although the Plaintiff sought to characterize the arrangement as one involving deferment of salary, the admissions made by the Plaintiff and his witness, PW-2, Sunil Vadhera, during cross-examination indicate that there was no formal written agreement, board resolution or other



contemporaneous document recording any obligation on the part of the Defendant Company to repay the reduced salary at a future date. PW-2, Mr. Sunil Vadehra, in his cross-examination dated 14.01.2013, has himself admitted that *"no written letter was given by the company to me and any other employees regarding the deferred salary which was to be paid after 12 months."*

38. Furthermore, the Plaintiff, in his cross-examination dated 10.07.2013, has admitted that *"defendant has not given any written documents that the reconstructed salary will be paid in future"* and that *"defendant has not given any written assurance/letter to me regarding my reconstructed salary will be paid."*

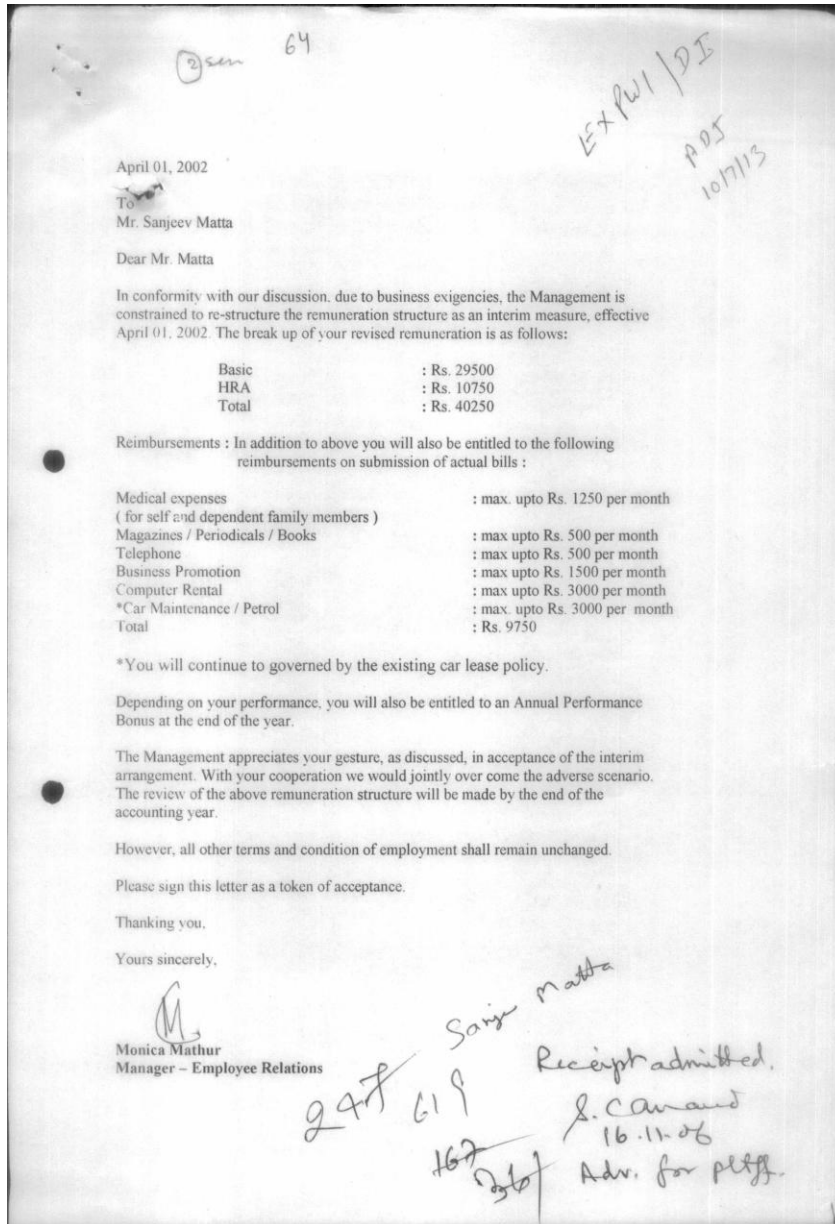
39. It is quite evident from the comprehensive reading of the entire testimony, *that there may have been an internal understanding amongst the members of the Management that employees who supported the Company during its financial difficulties would be compensated in the future by payment of the deferred salary.* However, no such understanding was formally documented and, in the Company records, the arrangement continued to be reflected as a restructuring of remuneration.

40. In these circumstances, and in the absence of any formal document evidencing a deferment of salary, the Plaintiff cannot successfully claim recovery of the alleged deferred salary. *The Plaintiff himself admitted that no board minutes, resolution or other formal record exists to show that the arrangement was one of deferment rather than restructuring.*

41. Equally significant is the document dated 01.04.2002 Ex. PW-1/D1, executed at the very inception of the disputed arrangement and duly signed by the Appellant/Plaintiff, in token of acceptance. The said document



specifically records the revised remuneration structure of the Plaintiff and the nature of the arrangement between the parties. The same is produced as under:





42. Significantly, the said document, which constitutes a further contract between the parties, characterises the arrangement in terms as one of "re-structure" of the remuneration structure as an "interim measure", and is completely silent regarding any deferment of salary, any obligation to repay the reduced component at a future date, or the alleged compensation bonus of Rs.80,000/-. The document bears the signatures of the Appellant/Plaintiff in token of acceptance, and there is no mention of any deferred salary arrangement. **Rather, it specifically states about re-structuring of salary for one year.**

43. The Plaintiff, in para 36 of his evidence affidavit, has sought to qualify the acceptance by stating that he "*merely acknowledged receipt*" and that "*it was not explicitly accepted*" by him. However, no such conditional acceptance appears on the face of Ex. PW-1/D1. It is also not the case of the Plaintiff that he was made to sign the said document under duress or coercion. Nor is it permissible for the Plaintiff to lead oral evidence contrary to the terms of the document Ex. PW-1/D1, having regard to Sections 91 and 92 of the Indian Evidence Act, 1872.

44. The Plaintiff's attempt to contend, through para 39 of his evidence affidavit, that the letter had been so worded only to save the employees from immediate Income Tax liability and that the deferred portion was nevertheless to be paid in April 2003. However, such contention is squarely barred by to Sections 91 and 92 of the Indian Evidence Act, 1872.

45. Another aspect, which is of immense importance, is that the Plaintiff, as per his own testimony, was relieved from the services of the Defendant Company on 12.12.2003. At that time, admittedly, all his claims and dues were settled. The financial arrangement governing the separation of the



2026:DHC:5119



Plaintiff, stood recorded in the letter dated 11.11.2003 issued by the Defendant Company, which was duly signed by the Plaintiff in token of acceptance, and was further confirmed by the letter dated 28.11.2003. Both these documents are comprehensive and address every aspect of the Plaintiff's separation including leave encashment, gratuity, LTA and the consolidated allowance to be paid till April 2004. Significantly, both these documents are completely silent regarding the alleged deferred salary of Rs.2,88,000/- or the alleged compensation bonus of Rs.80,000/-. If it was indeed a case of deferment, and not restructuring, as alleged by the Plaintiff, there is no reason, why he would not have protested, insisted or claimed his outstanding dues, on account of alleged deferment of the salary.

46. The conduct of the Plaintiff, in not claiming any outstanding dues during the entire period of his employment, which admittedly receiving payment as stated in the Letter dated 11.11.2003 without demur, and in filing the present Suit only on 29.03.2006, i.e. after almost two and a half years of Service, also lend support that it was not a formal agreed policy of the Defendant Company to pay the deferred salary.

47. The Appellant/Plaintiff has also placed reliance upon the e-mail correspondence exchanged with the CEO of the Respondent Company between May 2004 and September 2005, marked as Ex. PW-1/11 (Colly.), Ex. PW-1/12 (Colly.), Ex. PW-1/13, Ex. PW-1/15 (Colly.) and Ex. PW-1/16, wherein the Plaintiff sought clearance of his alleged dues, and the CEO indicated that he would "*start thinking of timing on the deferred*" once the other outstanding payments were cleared, and that he hoped to "*address a variety of issues*" in 2005.



48. However, the said communications neither quantify the alleged dues nor identify their nature as a binding obligation. There is no reference to the reduced salary for Financial Year 2002-2003 in terms of an admitted liability, no commitment to any specific date of payment, and no recital that the salary reduction was merely a deferment to be repaid at a future date. The mere unilateral use of the word "*deferred*" by the Plaintiff in his self-serving correspondence, cannot create a legal obligation that does not otherwise exist.

49. The Plaintiff has further in rely to his e-mail dated 11.05.2004, sought adjustment of the balance of a housing loan against the alleged deferred salary, and the response thereto dated 12.05.2004. The said reliance, however, takes the case of the Plaintiff no further, particularly when the Plaintiff in his cross-examination dated 10.07.2013 has admitted that he has "*not brought any loan document*" and "*cannot bring any document regarding the loan*", **thereby failing to prove the foundational fact of the loan itself.**

50. The Plaintiff has further placed reliance upon a letter dated 01.04.2005 stated to have been issued by the CEO of the Respondent Company, marked as Ex. PW-1/14. However, the said letter is admittedly not addressed to the Plaintiff but to one Mr. Praveen, and as rightly observed by the learned Trial Court, is of no help to the Plaintiff.

51. It is not disputed that there were discussions regarding payment of one month's salary bonus to employees. However, the Appellant/Plaintiff has failed to place on record any material to establish that the said bonus crystallized into a binding contractual obligation. The consistent stand of the Respondent has been that the same was contemplated *only as an incentive*



and not as a legal commitment. In the absence of any document or other cogent evidence demonstrating that the bonus became payable as a matter of right, the claim towards compensation bonus ***cannot be sustained.***

52. The Plaintiff has relied upon the aforesaid communications, but from these there is no admission of there being any deferment of salary or the entitlement of the Plaintiff for the same.

53. The reliance placed by the Appellant on Section 88-A of the Indian Evidence Act, 1872, in relation to the e-mail dated 09.07.2002 Ex. PW-2/1, is equally misplaced. The said provision raises a presumption only with respect to the authenticity of electronic records and does not assist the Appellant on the legal character of the arrangement. Even taking Ex. PW-2/1 at its highest, the document is an internal management communication and is not addressed to the Plaintiff. The said e-mail records the CEO's approval of the partial reversal of the salary reduction *only for the lowest salary slab*, namely employees drawing between Rs.12,000/- and Rs.20,000/- per month, with effect from 01.10.2002. The Plaintiff, admittedly drawing a salary above Rs.60,000/- per month, was outside the said slab. The document does not commit the Respondent Company to repayment of any sum to the Plaintiff's slab and, in any event, the contemplated future reversal for other slabs is expressly described as a matter to be "*reviewed*", language plainly incapable of constituting a binding obligation.

54. The learned District Judge has carefully appreciated the evidence brought on record and has rightly concluded that while reduction of salary during the relevant period stands admitted, the Appellant/Plaintiff failed to



2026:DHC:5119



establish that such reduction *merely constituted a deferment creating a legally enforceable obligation to repay the amount at a later date.*

55. There is no merit in the **present Appeal, which is hereby, dismissed** along with pending Applications.

(NEENA BANSAL KRISHNA)
JUDGE

JUNE 16, 2026/R